

Message Text

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PAGE 01 TOKYO 05028 170707Z

16 10
ACTION EA-14

INFO OCT-01 ISO-00 EB-11 COME-00 SS-20 L-03 H-03 JUSE-00

NSC-07 INR-10 DRC-01 RSC-01 /071 W
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R 170630Z APR 74
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 1313

LIMITED OFFICIAL USE TOKYO 5028

FOR DEPUTY ASSISTANT SECRETARY/EA INGERSOLL

E.O. 11652: N/A
TAGS: ETRD BDIS JA
SUBJ: MATSUSHITA PURCHASE OF MOTOROLA TV DIVISION

SUMMARY: MANAGING DIRECTOR MATSUSHITA ELECTRIC CALLED
ON COMM/COUNS, REQUESTED EMBASSY RELAY THEIR POSITION
ON PURCHASE MOTOROLA TV DIVISION TO YOU. END SUMMARY

1. MR. KYUTARO ISOMURA, MANAGING DIRECTOR, MATSUSHITA
ELECTRIC INDUSTRIAL CO., CALLED ON COMM/COUNS APR 16
REGARDING MATSUSHITA'S PURCHASE OF MOTOROLA COLOR
TELEVISION DIVISION. SALE WILL BE COMPLETED ON APR 29
BARRING INJUNCTION BY DEPARTMENT OF JUSTICE.
2. ACCORDING ISOMURA, COMPANY PLANS TO RETAIN PRESENT
EMPLOYEES, AND CONTINUE PRESENT LEVEL OF PRODUCTION AT
MOTOROLA FACTORY. PURCHASE INCLUDES THE DISTRIBUTION
SYSTEM, INCLUDING PERSONNEL, ALL OF WHICH WILL ALSO BE
CONTINUED. TO COPE WITH MATSUSHITA'S DECREASING SALES
OF PANASONIC COLOR TV IN U.S. COMPANY PLANS EVENTUALLY
ASSEMBLE AND DISTRIBUTE PANASONIC PRODUCTS THROUGH
PRESENT MOTOROLA FACILITIES. IF SALE NOT CONSUMATED
ISOMURA SAID MOTOROLA WILL DISCONTINUE PRODUCTION AND
DISTRIBUTION.

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3. ACCORDING TO ISOMURA PANASONIC COLOR TV NOW HAS TWO

PERCENT U.S. MARKET AND MOTOROLA SEVEN PERCENT. MOTOROLA BLACK AND WHITE TV LARGELY MADE IN TAIWAN AND NOT INCLUDED IN THIS SALE.

4. ISOMURA STATED THAT SENATOR BAYH'S CHALLENGE OF SALE TO ATTORNEY GENERAL LARGELY ON BEHALF OF MAGNAVOX. TO COUNTER THIS, SENATOR PERCY AND OTHERS HAVE CABLED ATTORNEY GENERAL SAXBE IN SUPPORT OF MOTOROLA AND MATSUSHITA. IN ADDITION, MOTOROLA HAS CALLED ON DEPUTY ATTORNEY GENERAL SILVERMAN, WHO ACCORDING TO ISOMURA SEEMED TO REACT SYMPATHETICALLY TO MOTOROLA POSITION, BUT ADMITTED DECISION WOULD BE DIFFICULT.

5. ISOMURA STATED COMPANY WOULD LIKE TO COMPLETE PURCHASE BUT WOULD DROP PLAN RATHER THAN BECOME INVOLVED IN A COURT SUIT IN U.S. COMPANY EXPECTS THE ATTORNEY GENERAL'S OFFICE MAKE SOME RULING BEFORE APR 29 PURCHASE DATE.

6. PURPOSE OF ISOMURA'S VISIT WAS TO ASK EMBASSY RELAY MATSUSHITA'S POSITION TO YOU AND TO SEEK ANY APPROPRIATE ASSISTANCE. COMM/COUNS STATED THAT MOTOROLA AND MATSUSHITA ALREADY SEEMED TO HAVE IMPORTANT FRIENDS ESPOUSING THEIR CAUSE AND THAT THERE WOULD BE LITTLE THAT COULD BE DONE ABOVE THAT WHICH THEY HAVE ALREADY DONE FOR THEMSELVES. HOWEVER HE AGREED RELAY MESSAGE AND URGED ISOMURA NOT TO BE OVERLY SENSITIVE TO NORMAL INDUSTRY OPPOSITION TO ADDITIONAL COMPETITION CITING CURRENT JAPANESE INDUSTRY OPPOSITION TO DOW CHEMICAL INVESTMENT PLANS IN JAPAN.

7. FYI: NEWSPAPERS IN JAPAN HAVE REPORTED ON SENATOR BAYH'S OPPOSITION AND THE ANTI-TRUST ACTION. AT A TIME WHEN SOME JAPANESE BUSINESS LEADERS HAVE EXPRESSED CONCERN OVER POSSIBLE RESTRAINTS AGAINST FOREIGN INVESTMENT IN U.S. MOTOROLA/MATSUSHITA CASE WILL LIKELY BE SEEN BY MANY AS AN INDICATION OF PRESENT U.S. ATTITUDE.
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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: SALES, BUSINESS FIRMS, FOREIGN POLICY POSITION, TELEVISION SYSTEMS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740088-0622
From: TOKYO
Handling Restrictions: n/a
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ISecure: 1
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30 JUN 2005

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To: STATE
Type: TE
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